



County of Los Angeles CHIEF EXECUTIVE OFFICE

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January 11, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

WASHINGTON, D.C. UPDATE – PURSUIT OF COUNTY POSITION ON THE MOVING TO WORK DEMONSTRATION PROGRAM

This memorandum contains a pursuit of County position to support Federal proposals that would expand the current Moving to Work (MTW) demonstration program to allow additional public housing authorities to participate, such as the Housing Authority of the County of Los Angeles (HACoLA).

Background and Status

The U.S. Department of Housing and Urban Development's (HUD) MTW demonstration program allows designated public housing authorities the opportunity to test innovative, locally-designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. Under the MTW program, public housing authorities have more flexibility with how they use their Federal funds and are permitted to seek exemption from many existing public housing and Housing Choice Voucher program rules under the U.S. Housing Act of 1937, in pursuit of the following three statutory objectives: 1) reducing costs and achieving greater cost effectiveness in Federal expenditures; 2) giving incentives to families with children where the head of household is working, seeking work, or preparing for work by participating in job training, educational programs, or programs that assist people in obtaining employment and becoming economically self-sufficient; and 3) increasing housing choices for low-income families.

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The Moving to Work demonstration program was originally authorized by Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, and has grown beyond the original statutory cap of 30 public housing authorities. Both the Consolidated Appropriations Act of 2009 and the Consolidated Appropriations Act of 2010 authorized HUD to competitively select an additional six public housing authorities for participation in the MTW program with the slots only available to high-performing public housing authorities with fewer than 5,000 assisted housing units, and three of the six competitive slots were open to only HOPE VI sites. The HOPE VI program provides funds to renovate or demolish existing public housing and replace it with mixed-income housing.

Last year, draft legislative proposals were released by the House Financial Services Committee regarding housing voucher reform which included MTW provisions that would have authorized an uncapped number of new MTW demonstration program designations. However, there was no action taken last year in either the House or Senate on any of these legislative proposals.

Currently, the U.S. Department of Housing and Urban Development is not taking new applications for MTW designations and only made three awards in 2011, restricting applicants of 5,000 units or less to apply. The Housing Authority of the County of Los Angeles (HACoLA) indicates that it is not eligible to apply for a MTW designation as it owns and manages 3,258 units of public and affordable housing, and administers over 21,000 Housing Choice Vouchers for qualified low-income families, seniors, and persons with disabilities in Los Angeles County.

With a Moving to Work designation, HACoLA would have the flexibility to make policy and programmatic changes which would assist the County in achieving the MTW program objectives of increasing operational and fiscal efficiency, facilitating opportunities for families to become self-sufficient and financially independent without relying on subsidized housing, and increasing housing choices for low-income families. Furthermore, the MTW designation and the flexibility it provides with the use of Federal funding, is especially important for HACoLA if Federal funding declines in the near future for housing programs, such as public housing and the Housing Choice Voucher program, and could help mitigate the potential impact to low-income families, seniors, and persons with disabilities in the County who currently receive housing assistance.

Pursuit of County Position

The County's Federal Legislative Agenda includes policies supporting proposals which would provide local housing officials with greater flexibility over the administration and use of housing funds, including Section 8 vouchers. **Based on these existing policies, and unless otherwise instructed by the Board, the County's Washington, D.C.**

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advocates will support Federal legislative proposals which would expand HUD's MTW demonstration program to allow additional public housing authorities, such as HACoLA, to participate, and provide them with increased flexibility over the use of Federal housing assistance funds. The legislative vehicle for such proposals would include appropriations bills which have been the legislative vehicle used for previous MTW designations.

We will continue to keep you advised.

WTF:RA
MR:OR:MT:ma

c: All Department Heads
Legislative Strategist